

PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICE AGREEMENT NO. **rimsmeter**

STANDARD METERING AND BILLING AGREEMENT FOR  
QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF GREATER THAN 10 KW  
AND LESS THAN OR EQUAL TO 10 MW:

This Agreement is made by and between **fullname** (Customer) and PNM (Utility) also referred to collectively as "parties" and singularly as "party." Customer receives electric service from Utility at **address1**, **address2** under account no. **cust-prem**. Customer has located at these premises a qualifying facility (QF) as defined by 17.9.570 NMAC, having an installed capacity of greater than 10 kilowatts and up to and including 10 megawatts, which is interconnected to Utility pursuant to Interconnection Agreement No. **rimssinter**, attached as Appendix A. For good and valuable consideration, Customer desires to sell or provide electricity to Utility from the QF and Utility desires to purchase or accept all the energy produced by the QF that is not consumed by Customer, and the parties agree to the following terms and conditions:

- A. DEFINITIONS. Whenever used in the agreement, the following words and phrases shall have the following meanings:
1. agreement shall mean this agreement and all schedules, tariffs, attachments, exhibits, and appendices attached hereto and incorporated herein by reference;
  2. interconnection facilities shall mean all machinery, equipment, and fixtures required to be installed solely to interconnect and deliver power from the QF to the Utility's system, including, but not limited to, connection, transformation, switching, metering, relaying, line and safety equipment and shall include all necessary additions to, and reinforcements of, the Utility's system;
  3. prudent electrical practices shall mean those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully, and with safety, dependability, efficiency and economy;
  4. qualifying facility (QF) shall mean a cogeneration facility or a small power production facility which meets the criteria for qualification contained in 18 C.F.R. Section 292.203;
  5. point of delivery shall mean the geographical and physical location described on Appendix B hereto; such appendix depicts the location of the QF's side of interconnection facilities where Customer is to (sell and) deliver electric energy pursuant to this agreement or pursuant to a separate wheeling agreement;
  6. termination shall mean termination of this agreement and the rights and obligations of the parties under this agreement, except as otherwise provided for in this agreement;
  7. suspension means suspension of the obligation of the Utility to interconnect with and purchase electricity from the Customer.

- B. **TERM OF AGREEMENT.** The original term of this agreement shall be for a period of five (5) years from the date of the execution of this agreement and shall continue thereafter from year to year until terminated as herein provided.
1. **Termination by Customer.** Termination of this agreement during and after the original term requires written notice to Utility that this agreement will terminate in ninety (90) days. Customer may terminate this agreement without showing good cause.
  2. **Termination by Utility.** Termination of this agreement during and after the original term requires written notice to Customer that this agreement will terminate in ninety (90) days, unless otherwise provided. Utility, in the exercise of this right, must show good cause for the termination.
  3. At any time the QF is sold, leased, assigned, or otherwise transferred, the seller or lessor of the QF shall notify Utility and this agreement may be terminated at Utility's option, for good cause, regardless of whether such transfer occurs during the original term or any renewal thereof. Such termination may be made with five (5) days written notice by Utility.
  4. Should the Customer default in the performance of any of the Customer's obligations hereunder, Utility may suspend interconnection, purchases, or both and if the default continues for more than 90 days after written notice by Utility to Customer, Utility may terminate this agreement. Termination or suspension shall not affect the obligation of Utility to pay for energy already delivered or of Customer to reimburse interconnection costs, or any cost then accrued. Upon termination, all amounts owed to the Utility will become payable immediately.
- C. **METER INSTALLATION, TESTING AND ACCESS TO PREMISES.** Customer will be metered by a meter or meters as determined by Utility to which Utility is granted reasonable access.
1. Customer shall supply, at its own expense, a suitable location for all meters and associated equipment. Customer shall provide a clearly understandable sketch or one-line diagram showing the qualifying facility, the interconnection equipment, breaker panel(s), disconnect switches and metering, to be attached to this agreement. Such location must conform to Utility's meter location policy. The following metering options will be offered by Utility: load displacement, net metering, simultaneous buy/sell. Customer shall provide and install a meter socket and any related interconnection equipment per Utility's requirements.
  2. Customer shall deliver the as-available energy to Utility at Utility's meter.
  3. Utility shall furnish and install a standard kilowatt-hour meter. Utility may install, at its option and expense, magnetic tape recorders in order to obtain load research information. Utility may meter the Customer's usage using two meters for measurement of energy flows in each direction at the point of delivery.
  4. If either Utility or Customer requests an alternate form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternate or additional metering arrangement. If Customer elects to take electric service under any rate structure,

including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, Customer shall be required to pay the additional incremental cost of the required metering equipment. Within ten (10) days of receiving notification from Customer of the intent to interconnect, Utility will notify the Customer of any metering costs. Charges for special metering costs shall be paid by Customer, or arrangements for payment agreed to between Customer and Utility, prior to Utility authorizing interconnected operation.

5. All meter standards and testing shall be in compliance with Utility's rules and regulations as approved by the NMPRC. The metering configuration shall be one of Utility's standard metering configurations as set out in Subsection D of 17.9.570.15 NMAC and mutually agreeable to the parties or any other metering configuration mutually agreeable to the parties. The agreed upon configuration is shown on Appendix B. If the interconnection facilities have been modified pursuant to the interconnection agreement, Customer shall permit Utility, at any time, to install or modify any equipment, facility or apparatus necessary to protect the safety of its employees or to assure the accuracy of its metering equipment, the cost of which shall be borne by Customer. Utility shall have the right to disconnect the QF if it has been modified without Utility's authorization.
6. Utility may enter Customer's premises to inspect at all reasonable hours Customer's protective devices and read or test meter; and pursuant to the interconnection agreement to disconnect, without notice, the interconnection facilities if Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or Utility's facilities, or property of others from damage or interference caused by Customer's facilities, or lack of properly operating protective devices.

D. ENERGY PURCHASE PRICE AND METERING OPTION. All electric energy delivered and service rendered hereunder shall be delivered and rendered in accordance with the applicable rate schedules and tariffs. Customer has selected the **option** metering option defined in this section. It is understood and agreed, however, that said rates are expressly subject to change by any regulatory body having jurisdiction over the subject matter of this agreement. If a new rate schedule or tariff is approved by the proper regulatory body, the new rate schedule or tariff shall be applicable to this agreement upon the effective date of such rate schedule or tariff.

1. Load displacement option: Utility will interconnect with the Customer using a single meter which will be ratcheted and would only measure the flow of energy to the Customer. Billing to Customer will be at Utility's approved tariff rate applicable to the service provided to the QF. There will be no additional Customer charge and no payment by Utility for any excess power that might be generated by the QF.
2. Net metering option.
  - a. Utility shall install the metering necessary to determine the net energy delivered from Customer to Utility or the net energy delivered from Utility to Customer for each time-of-use or single rate period, as applicable, during a billing period. The net energy delivered to either the QF or to the Utility is the difference between the

energy produced by the QF generation and the energy that would have otherwise been supplied by the Utility to the QF absent the QF generation.

- b. The net energy delivered from Customer to Utility shall be purchased by Utility at Utility's applicable time-of-use or single period energy rate, as described in Subsection B of 17.9.570.11 NMAC, and filed with the NMPRC. Customer shall be billed for all net energy delivered from Utility in accordance with the tariff that is applicable to Customer absent the QF generation. An additional Customer charge to cover the added costs of billing and administration may be included in the tariff. At the end of the billing period, Utility shall net all charges owed to Utility by Customer and all payments owed by Utility to Customer. If a net amount is owed to Customer for the billing period, and is less than \$50, the payment amount may be carried over to the following billing period. If a net amount is owed to Customer and is \$50 or more, Utility shall make payment to Customer prior to the end of the next billing period.
  - c. If provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, Customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.
3. Simultaneous buy/sell option.
- a. Utility will install the metering necessary to determine separately (1) all of the energy produced by Customer's generator and (2) all of the power consumed by Customer's loads. Utility will purchase all energy produced at Utility's applicable time-of-use or single period energy rate, as described in Subsection B of 17.9.570.11 NMAC, for such purchases, and as filed with and approved by the NMPRC. Customer shall purchase all power consumed at its normally applicable tariff rate. An additional Customer charge to cover the added costs of billing and administration may be included.
  - b. If provision of the simultaneous buy/sell option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for simultaneous buy/sell metering, Customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

#### E. INTERRUPTION OR REDUCTION OF DELIVERIES.

1. Utility shall not be obligated to accept or pay for and may require Customer to interrupt or reduce deliveries of available energy under the following circumstances:
  - a. it is necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices; whenever possible, Utility shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required;

- b. there is evidence that Customer's QF is interfering with service to other Customers or interfering with the operation of Utility's equipment; Customer may be reconnected by Utility when Customer makes the necessary changes to comply with the standards required by this agreement;
  - c. it is necessary to assure safety of Utility's personnel; notwithstanding any other provision of this agreement, if at any time Utility reasonably determines that the facility may endanger Utility personnel or other persons or property or the continued operation of Customer's facility may endanger the integrity or safety of Utility's electric system, Utility shall have the right to disconnect and lock out Customer's facility from Utility's electric system; Customer's facility shall remain disconnected until such time as Utility is reasonably satisfied that the conditions referenced in this section have been corrected;
  - d. there is a failure of Customer to adhere to this agreement;
  - e. if suspension of service is otherwise necessary and allowed under Utility's rules and regulations as approved by the NMPRC.
2. Customer shall cooperate with load management plans and techniques as ordered or approved by the NMPRC, and the service to be furnished by Utility hereunder may be modified as required to conform thereto.

F. **FORCE MAJEURE.** Force majeure shall mean any cause beyond the control of the party affected, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, tornado, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, (labor dispute,) labor or material shortage, sabotage, restraint by court order or public authority, and action or non-action, by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence, it shall be unable to overcome. If either party, because of force majeure, is rendered wholly or partly unable to perform its obligations under this agreement, except for the obligation to make payments of money, that party shall be excused from whatever performance is affected by the force majeure to the extent so affected, provided that:

1. the non-performing party, within a reasonable time after the occurrence of the force majeure, gives the other party written notice describing the particulars of the occurrence;
2. the suspension of performance is of no greater scope and of no longer duration than is required by the force majeure; and
3. the non-performing party uses its best efforts to remedy its inability to perform. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms that, in the sole judgment of the party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the party involved in the disputes.

G. **INDEMNITY.** Each party shall indemnify the other from liability, loss, costs, and expenses on account of death or injury to persons or damage or destruction of property occasioned by the negligence of the indemnifying party or its agents, officers, employees, contractors,

licensees or invitees, or any combination thereof, except to the extent that such death, injury, damage, or destruction resulted from the negligence of the other party or its agents, officers, employees, contractors, licensees or invitees, or any combination thereof. Provided, however, that:

1. each party shall be solely responsible for the claims or any payments to any employee or agent for injuries occurring in connection with their employment or arising out of any Workmen's Compensation Law or Occupational Disease Disablement Law;
2. Utility shall not be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to Customer as a result of interruption or partial interruption (single-phasing) in delivery of service hereunder to Customer or by failure to receive service from Customer by reason of any cause whatsoever, including negligence; and
3. the provisions of this subsection on indemnification shall not be construed so as to relieve any insurer of its obligation to pay any insurance proceeds in accordance with the terms and conditions of any valid insurance policy;
4. the indemnifying party shall pay all costs and expenses incurred by the other party in enforcing the indemnity under this agreement including reasonable attorney fees.

H. DEDICATION. An undertaking by one party to another party under any provision of this agreement shall not constitute the dedication of such party's system or any portion thereof to the public or to the other party and any such undertaking shall cease upon termination of the party's obligations herein.

I. STATUS OF CUSTOMER. In performing under this agreement, Customer shall operate as or have the status of an independent contractor and shall not act as or be an agent, servant, or employee of Utility.

J. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this agreement shall be in writing and agreed to by both parties. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

K. ASSIGNMENT. This agreement and all provisions hereof shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. Customer shall not assign this agreement or any part hereof without the prior written consent of Utility, otherwise this agreement may be terminated pursuant to paragraph (3) of Subsection B of 17.9.570.15 NMAC.

- L. NOTICES. Any payments, notices, demands or requests required or authorized by this agreement shall be deemed properly given if personally delivered or mailed postage prepaid to:

Customer:

fullname  
address1  
address2  
address3  
address4

PNM:

Customer Owned Generation Programs  
Public Service Company of New Mexico  
Alvarado Square  
Albuquerque, NM 87158-0510

The designation of the persons to be notified, or the address thereof, may be changed by notice in writing by one party to the other. Routine notices and notices during system emergency or operational circumstances may be made in person or by telephone. Customer's notices to Utility pursuant to this agreement shall refer to the Customer's electric service account number set forth in this agreement.

- M. MISCELLANEOUS. This agreement and any amendments thereto, including any tariffs made a part hereof, shall at all times be subject to such changes or modifications as shall be ordered from time to time by any regulatory body or court having jurisdiction to require such changes or modification. This agreement (and any tariffs incorporated herein) contains all the agreements and representations of the parties relating to the interconnection and purchases contemplated and no other agreement, warranties, understandings or representations relating thereto shall be binding unless set forth in writing as an amendment hereto.
- N. GOVERNING LAW. This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.
- O. ATTACHMENTS. This agreement includes the following appendices as labeled and incorporated herein by reference:
- A. Interconnection Agreement No. **riminter**;
  - B. Customer's sketch or one line diagram and site drawing, and generation and protection equipment specifications.





IN WITNESS WHEREOF, the parties have caused two originals of this agreement to be executed by their duly authorized representatives. This agreement is effective as of the last date set forth below.

CUSTOMER

By: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_  
i.e., "Owner" or "Homeowner"

Date: \_\_\_\_\_

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: \_\_\_\_\_

Name: Robert Broderick

Title: Manager, Retail Renewable Energy

Date: \_\_\_\_\_

**Appendix A and B**

**INTERCONNECTION AGREEMENT  
AND  
METERING CONFIGURATION**

See Interconnection Agreement No. [rimsinter](#)